

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
	§	
FIELDWOOD ENERGY III LLC, et al.,	§	Case No. 20-33948 (MI)
	§	
Post-Effective Date Debtors.¹	§	(Jointly Administered)
	§	Re: Docket Nos. 1489, 1751

**STIPULATION AND ORDER BETWEEN AND AMONG THE PLAN
ADMINISTRATOR, QUARTERNORTH ENERGY LLC, THE FWE I SOLE MANAGER
AND THE EXXON/XTO ENTITIES RESOLVING EXXON/XTO CURE AMOUNT**

This stipulation and order (the “**Stipulation and Order**”) is entered into between and among (i) the Plan Administrator appointed in the above-captioned cases, (ii) QuarterNorth Energy LLC (“**QuarterNorth**”), (iii) Jon Graham, solely in his capacity as the sole manager of GOM Shelf LLC and FW GOM Pipeline (the “**FWE I Sole Manager**”), and (iv) the Exxon/XTO

¹ The Post-Effective Date Debtors, along with the last four digits of each Post-Effective Date Debtor’s federal tax identification number, as applicable, are: Fieldwood Energy III LLC (6778); Fieldwood Energy Offshore LLC (4494), Fieldwood Energy Inc. (4991), GOM Shelf LLC (8107), and FW GOM Pipeline, Inc. (8440). Fieldwood Energy III LLC, Fieldwood Energy Offshore LLC, and Fieldwood Energy Inc. are managed and operated by the Plan Administrator, whose primary mailing address is 16255 Ventura Blvd., Suite 440, Encino, CA, 91436, C/O of Province LLC. GOM Shelf LLC and FW GOM Pipeline, Inc. (collectively, the “**Post-Effective Date FWE I Subsidiaries**”) are managed and operated by Jon Graham, as sole manager of each Post-Effective Date FWE I Subsidiary. The Debtors in the other nine pending chapter 11 cases (which continue to be jointly administered with the cases of the Post-Effective Date Debtors), each of which have either been dissolved or merged into other entities as of the Effective Date, consist of the following: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422).

Entities² (together with the Plan Administrator, QuarterNorth, and the FWE I Sole Manager, the “**Parties**”).³ The Parties hereby stipulate and agree as follows:

WHEREAS, commencing on August 3, 2020 (the “**Petition Date**”), each of the Debtors filed a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”);

WHEREAS, Fieldwood Energy III LLC⁴ (“**Fieldwood**”), Fieldwood Energy Offshore LLC, and/or another of the Debtors, on the one hand, and one or more of the Exxon/XTO Entities, on the other, are party to various agreements (the “**Exxon/XTO Executory Contracts**”) that are identified on the Schedule of Assumed Contracts for (i) assumption and assignment to QuarterNorth, (ii) allocation to GOM Shelf LLC and/or FW GOM Pipeline, Inc., as applicable, or (iii) allocation to Fieldwood, Fieldwood Energy Offshore LLC, or Fieldwood Energy Inc., as applicable, pursuant to the terms of the Debtors’ *Modified Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and Its Affiliated Debtors* (ECF No. 2008) (the “**Plan**”), Confirmation Order, and the Plan Documents;

WHEREAS, the Debtors’ proposed Cure Amount listed for each Exxon/XTO Executory Contract on the Schedule of Assumed Contracts is \$0;

² As used herein, the term “**Exxon/XTO Entities**” shall collectively mean XTO Energy, Inc., XTO Offshore, Inc., HHE Energy Company, XH, LLC, ExxonMobil Corporation, ExxonMobil Production Company, ExxonMobil Pipeline Company, ExxonMobil Oil Supply, Exxon Mobil Exploration Company, Exxon Corporation, Exxon Company, USA, Mobil Oil Corporation, Mobil Exploration Company, Inc., Mobil Exploration & Producing U.S., Inc., Mobil Producing Texas & New Mexico, Inc., Second Mobil Oil Company, Inc., Mobil Oil Exploration and Producing Southeast, Inc., as well as any parent, subsidiary, or affiliate of any of said parties.

³ Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Plan (as defined herein).

⁴ As contemplated by the Plan, Fieldwood Energy LLC changed its name to Fieldwood Energy III LLC following a Divisive Merger pursuant to the Initial Plan of Merger.

WHEREAS, the Exxon/XTO Entities, among other things (i) objected to the Debtors' proposed Cure Amount of \$0 for each of the Exxon/XTO Executory Contracts, and (ii) asserted that the Exxon/XTO Entities lacked sufficient time to identify and review the Exxon/XTO Executory Contracts and any claims associated therewith (ECF Nos. 1451, 1476, 1491, 1517, 1618 and 1691) (collectively, the "**XTO Cure Objections**");

WHEREAS, on June 25, 2021, the Bankruptcy Court entered the *Findings of Fact, Conclusions of Law, and Order (I) Confirming Eighth Amended Joint Chapter 11 Plan of Fieldwood Energy LLC and Its Affiliated Debtors and (II) Granting Related Relief* (ECF No. 1751) (the "**Confirmation Order**"), confirming the Debtors' Plan;

WHEREAS, pursuant to paragraph 127 of the Confirmation Order, the determination of the Cure Amount required to satisfy the provisions of sections 365(b)(1)(A) and 365(b)(1)(B) for the assumption of the Exxon/XTO Executory Contracts (the "**Exxon/XTO Cure Amount**") was preserved pending an agreement between and among the Parties within one hundred twenty (120) days following the Effective Date;

WHEREAS, the Parties have negotiated in good faith regarding the Exxon/XTO Cure Amount.

NOW, THEREFORE, the Parties hereby stipulate and agree as follows:

1. The Exxon/XTO Cure Amount is \$0.
2. Upon the Bankruptcy Court's approval and entry of this Stipulation and Order, (i) the Exxon/XTO Executory Contracts shall be deemed assumed and assigned or allocated, as applicable, as of the Effective Date of the Plan pursuant to the terms of the Plan Documents, which include the Confirmation Order and the Plan, and (ii) the XTO Cure Objections shall be deemed overruled.

3. The terms and conditions of this Stipulation and Order shall be immediately effective and enforceable upon entry by the Bankruptcy Court.

4. The Bankruptcy Court shall retain jurisdiction over all matters related to this Stipulation and Order.

IT IS SO ORDERED.

Dated: _____, 2022

HON. MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

IN WITNESS WHEREOF, this Stipulation and Order has been executed and delivered as of the day and year first below written.

Dated: February 21, 2022

/s/ Suzanne K. Rosen

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Attorneys for the Plan Administrator and certain Post-Effective Date Debtors

-and-

/s/ Jon Graham

Jon Graham, solely in his capacity as Sole Manager of the Post-Effective Date FWE I Subsidiaries

/s/ Jessica Liou

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